



Impact Report 2020-2021



Registered Charity no. 1154462

@justsmallchange

www.justsmallchange.org.uk

Front: Faith buys wholesale sacks of maize and sells from her home.

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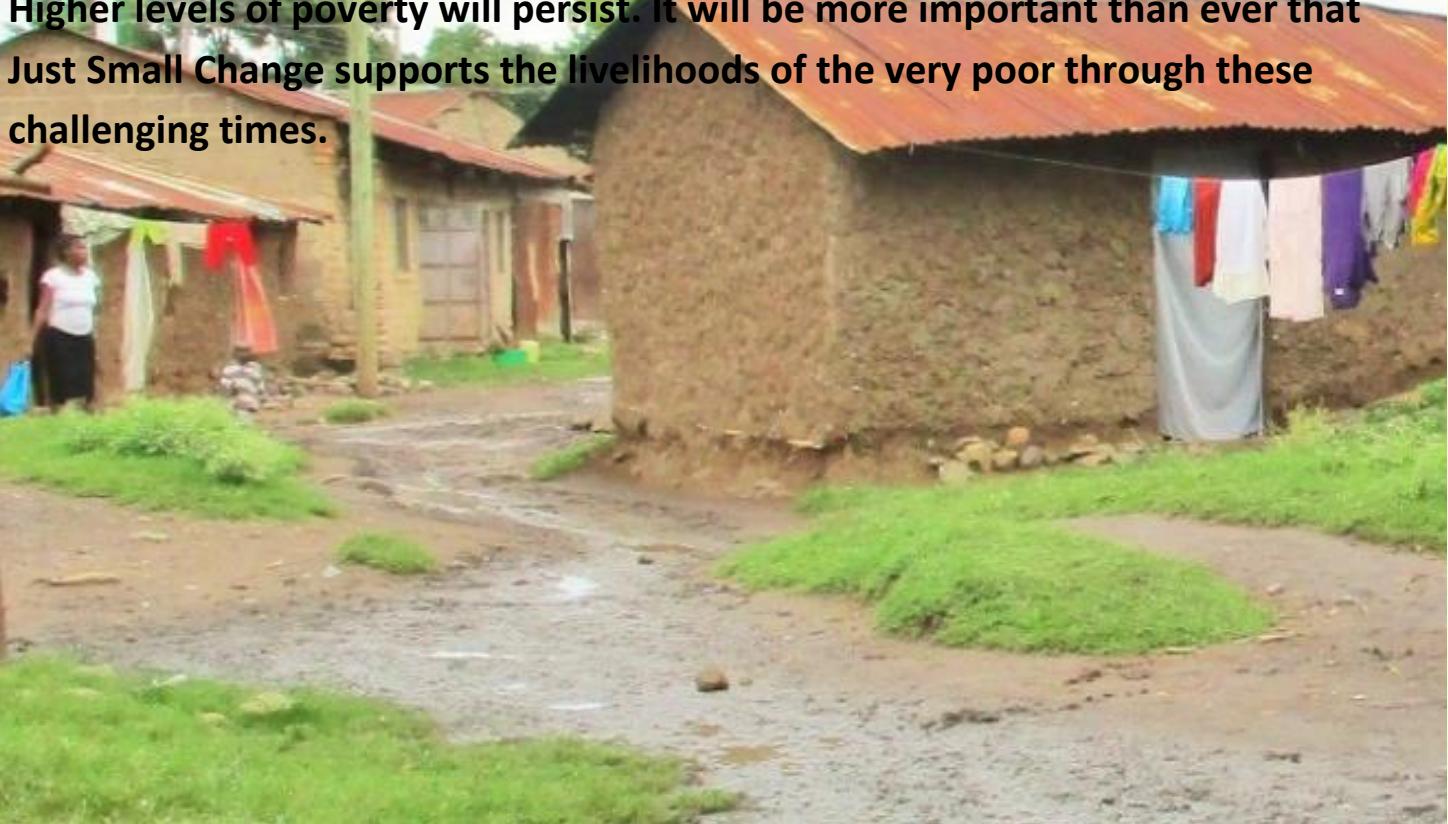
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The poor in Mali and Kenya have been hard hit by the pandemic. As well as impacting health, the economic and social effects of coronavirus in Africa have increased the numbers living in extreme poverty (less than £1.43 a day). Food insecurity and hunger have worsened, particularly among families headed by women. Unemployment has risen. Inequalities have widened. Fewer poor children, especially girls, are now in school, damaging their future life chances.

In both Mali and Kenya, governments have set up relief programmes, but these don't reach into the communities where we work. Our clients have no state support. In the slums and rural villages, they have struggled to stay in business so they can provide for their families. Many clients have been sick, or lost family members, and some have died. Nevertheless, in spite of the difficult circumstances there is encouraging evidence coming from both projects, individual stories of persistence and success which illustrate what can be achieved with consistent effort and support.

Very low rates of vaccination in both countries (6% in Kenya and 2% in Mali) and fragile healthcare systems mean the outlook is uncertain; economic growth in sub-Saharan Africa is likely to be much lower than forecast pre-Covid so there will be no speedy bounce-back for the communities we serve. Higher levels of poverty will persist. It will be more important than ever that Just Small Change supports the livelihoods of the very poor through these challenging times.



Our aims

We offer business training, loans and mentoring to the very poor and disadvantaged, in order to:

- reduce our clients' economic and social vulnerability through a long term increase in business profits
- enable them to build savings, providing some protection for their families from health, economic or weather related shocks
- empower them by enabling them to build viable, sustainable businesses so they can feed and educate their children and plan for the future.
- build capacity and resilience in local communities through business training and via establishing and supporting community groups and businesses to serve local needs

'The opposite of poverty is not wealth.

The opposite of poverty is enough'

Dr Wess Stafford, Compassion International



1

Kenya: how we work

Our staff visit the slums and villages to see existing clients. More women ask to join the programme having seen their friends and neighbours benefitting. Many of our new clients are already trading on a tiny scale, but not earning a viable income.



2

Clients join together into local community groups Our staff train all new clients in basic business skills. Ongoing training and mentoring is delivered through the groups and via individual visits to clients' businesses. We provide small loans which clients use to start or develop their businesses. Incomes grow, families enjoy better standards of living. Loans are repaid, typically within 6-12 months.



3

The community groups set up group savings accounts, so that all members can save. Clients start to grow their savings, providing more security for them and their families. Group members support and advise each other in their weekly meetings.

'Now I have hope, and a vision for the future' (Charles)

4

Clients may apply for up to two larger follow up loans. By the end of the third loan, clients will usually have built up sufficient savings to finance their businesses or to apply for loans to our recently set-up savings co-operative.

'The group gives me courage – I have the example of the other women in the group'
(Elisabeth)

5

When loans are repaid, Just Small Change reuses the money to help more women. Even a small donation goes on working for many years, helping clients to achieve economic security for the first time in their lives



6

Working through pandemic

Kisumu is Kenya's poorest city, with the country's highest rate of HIV at



19.9%. We work in the slums and rural villages of Kisumu East, where, pre Covid, 60% of people lived in extreme poverty and almost 90% of households suffered food insecurity. Kisumu has had two waves of coronavirus; restrictions (overnight curfew, closure of schools, universities, hospitality and other businesses) hit our clients badly. To make matters worse, the City authorities

then closed the informal markets and trading pitches used by most of our clients. Many have had to relocate; some have had their stalls and homes destroyed. Many have been ill, some have been bereaved and some have died. Few medical facilities are available, and those that are must be paid for; these are very difficult times.

The plans we had set out for the year were put on hold in March 2020. Our two staff, worked continuously, always within Kenya's Covid guidelines. They contacted clients by phone, then later through open air meetings. Support included loan and repayment rescheduling, finding new business opportunities and helping community group leaders to manage groups remotely. As a result of the pandemic, 24 loans were written off in 2020-21, totalling 3.2% of total loans outstanding, with no write offs so far in 2021-22.

'Those in the informal economy have been worst hit by lockdowns and curfews' World Bank 2021

Resilience and signs of hope



Supported by Roselyne and Emily, existing clients worked hard through two lockdowns to keep their small businesses running or, where this was not possible, to start new businesses.

Many have not been able to meet loan repayments during this time, but all have been able to provide for their families' needs, a real achievement. Many clients used the savings they had made since joining the project to replace lost income, preventing families from going hungry.

As well as providing for their own families throughout this difficult period, 36 of the small businesses supported 64 employees between them, creating jobs for local people as gardeners, seamstresses, farmhands, clothes hawkers, stallholders, nursery nurses, bead-workers and cooks. These 64 employees are supporting a further 93 dependents.

Although it has been a very tough year, one in six existing clients has been able to repay her loan over this period, as well as supporting her family. These have all now taken larger loans in order to grow their businesses and profits. These successes have attracted many new applicants. Training restarted when restrictions allowed and so in 2021, 53 new clients completed three full days of basic business training and received their first loans. This is fewer than originally planned but a great sign of hope.

Meet our clients





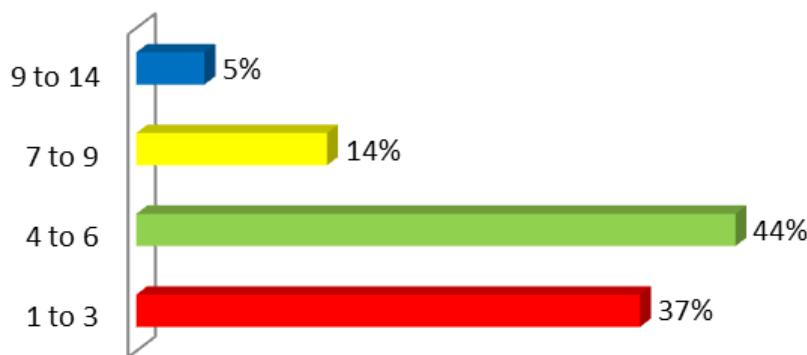
Meet their households



51% of our clients are single female heads of household, struggling alone to provide for their dependents.

The remainder are in very low income households, where husbands are often sick, disabled or unemployed.

Number of dependents



Almost two thirds of our clients are supporting four or more dependents, with one in five supporting seven to fourteen others.

Dependents include siblings, children, grandchildren, orphaned children, elderly parents or grandparents too.

One in four dependents is a child orphan.

Meet their households



Housing

90% of clients live in houses made of mud or sheet metal, with no access to roads, electricity, running water or drainage. Their homes are vulnerable to increasingly frequent heavy rains.

40% of households live in a single room, while a further 30% have 2 rooms. Average household size is 6 but can be as high as 13.

56% of clients live in rural villages, 44% in urban slums.

Education improves life chances. so, paying for dependents' school or college fees is a top priority, as well as for books, paper, and school uniform. Higher household incomes mean less risk that children have to be withdrawn from school.

Between them, our clients are supporting 989 dependents at school or college; a third are orphans.



Education

Lines of business

Cooked food/catering



22%

Non-food sales



15%

Fruit/veg/grocery stalls



24%

Fuel supply

45%



7%

Manufacturing

9%



Fish sellers

8%



Other services

3%



MAMA DEBRA
SALON
Braiding • Blow dry
Weaving • M/P-Cure
Hair / beauty

4%

Agriculture



8%

Why scaling up matters

When a client's business is too small, it can't survive. Money earned from sales only meets immediate needs, stock is not replaced and the business fails. But as well as re-stocking, there must also be some profit to save. If no savings can be made, then there is no fallback should illness, accident, marital breakdown or even bad weather strike, so again, the business will fail.

Maria's husband walked out, and left her to provide for their four sons. Maria had a small business selling second hand clothes, but it did not earn enough to feed the family and pay the rent. Soon she had sold all her stock and spent the proceeds, so the business collapsed. Now she works as a cleaner but earns very little. Maria has just completed her three day training, learning about the importance of stock and of saving. She has received her first loan. Alongside her cleaning jobs, she will restart her business and is determined to make it large enough to supply all her family's needs while still allowing her to



restock and to save. This will give her security and hope for the future, and is what we mean by sustainable economic empowerment.

Evidence shows how these small loans can help tiny businesses to

grow into sustainable ones. Most clients use their second and third loans to attract more customers by offering a wider variety of goods or services.

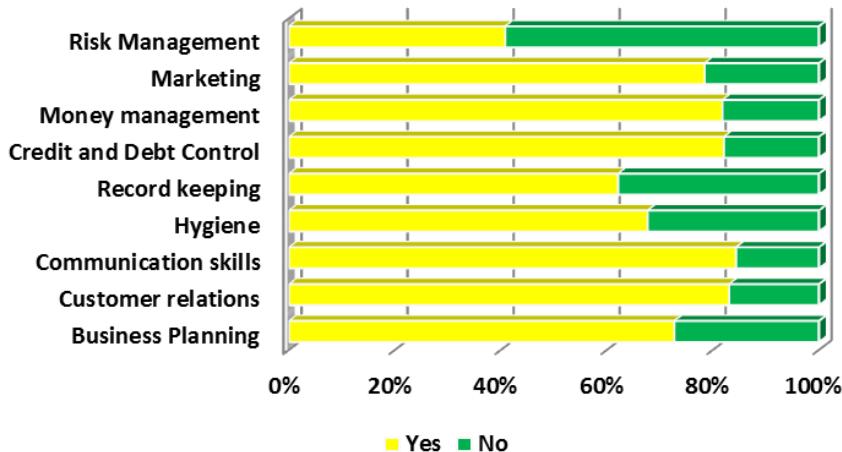
After repaying the third loan, a client's profits are, at almost £20 a day, on average 13.5 times larger than when she joined the project.

A savings cooperative managed by our project staff has now been set up within our partner NGO, offering savings accounts and larger loans to clients who have completed three loans successfully.



Training is vital, building skills and confidence, turnover and profit

Have your new skills helped your business?



I have realised that if you have knowledge this is power, the power to save, power to be self-employed, to have a voice and participate in the local community. (Benter, 41, HIV+, six dependent children)

The training has taught me that, in spite of everything, I can be in charge of my own life'

Alice, 33, HIV+, widow, 2 children

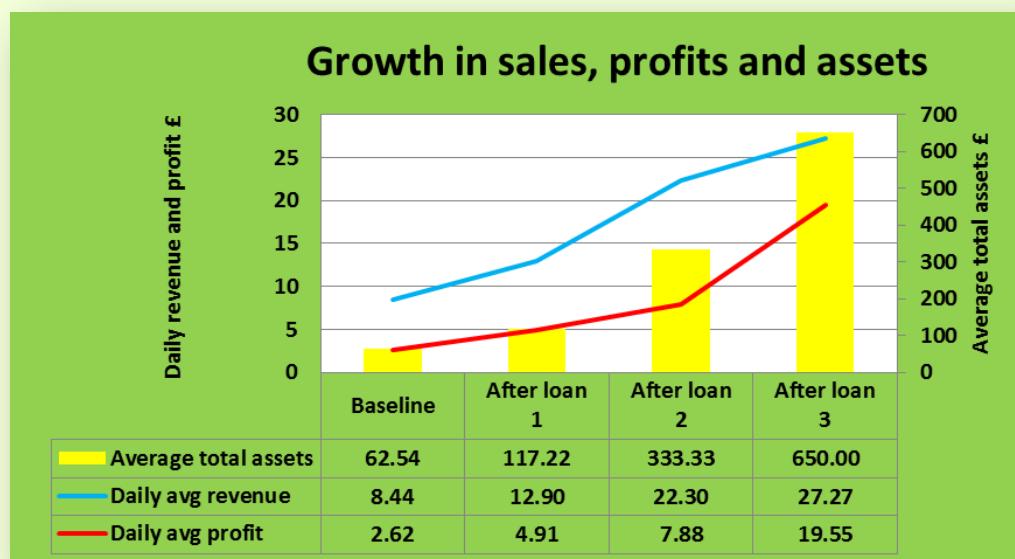
Our clients enjoy learning, and use their new skills to improve their businesses.

Training boosts self-confidence. It also benefits others, as women pass on their skills to friends and family.



Raising levels of knowledge and skill is key to increasing the productivity and earnings of poor women (World Bank Kenya Update 2016)

Growth is key to empowerment



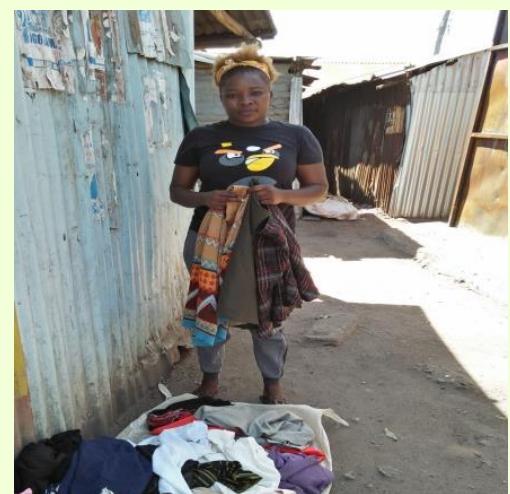
After one loan, average daily profit rose by 87% to £4.91, allowing 80% of clients to provide for their families' needs. After two loans, average profit rose again by

60%, to £7.88 a day; clients could provide for their families almost all the time.



Susan is using her first loan to add fish to her market stall. She is married with three small children. Her husband is ill so the family depend on her income. She is looking forward to developing her business to earn more income. She is planning to save for school fees, as her eldest has just started school.

When Esther, a single mum of 29, joined the project in 2019, her tiny second hand clothes business was making profits of only 60p per day. She and her small children depended on her parents for support. After training and two loans, she now has stock worth £126, makes profits of £11 per day and employs another lady, who supports seven dependents. Esther is financially independent and says she no longer worries about her family's future. She has taken a third loan and plans to expand by adding more children's clothes.



'Economically empowered women create healthier, more productive societies.'
The business of empowering women, McKinsey & Company, 2010.

Sikasso, Mali



Mali is one of the poorest countries in the world; 43% of its 20 million people live in extreme poverty. Rapid population growth, political instability and climate change pose major risks for agriculture and food security. Years of intensive cotton production have impoverished the land and the people. Large amounts of pesticides and fertilisers are needed to grow cotton. Although this is a productive area of Mali, having more rainfall, it has become the poorest, most malnourished region as cotton prices have fallen and land has become depleted. Families can earn as little as £130 a year which is not enough to survive.

Many wish to return to food production instead of growing cotton. They are trying to improve their land through ecological methods such as compost-making. But very few people have livestock; animals are needed to help to fertilise the soil because their droppings accelerate compost production, and also because they can create an income for very poor women.



By enabling women to raise goats, our project in rural villages improves livelihoods and families' standards of living while also helping to reclaim poor land for food production. Doe goats can give birth every six months, so produce milk for home use or sale for up to ten months of every year. Almost 100 women and girls in two villages have now received training in goat rearing. Here they are learning to make mineral licks for their animals.



The project has provided funds for village co-operatives; each trainee gets a small loan to buy 2 goats. This loan will be repaid to the co-operative through



the sale of goat kids. It will then be reloaned to another woman. Feedback so far is very positive; the work will expand to more villages in 2022.



Just Small Change

www.justsmallchange.org.uk

info@justsmallchange.org.uk

Charity number 1154462

38, Orchard Way, Stratford upon Avon CV37 9QE

Can you help? With your support, we can do more.

Every donation to Just Small Change keeps on giving, over and over again. We have no costs in the UK. Your full donation, plus any gift aid, will be spent directly on one of our projects in Africa

A monthly donation of £10 for one year will set one new client in Kenya on the road to a better future, by paying for 3 days of training and her first small loan. In Mali, this gift would pay for training and a loan for two women.

A single donation of £35 will pay for 3 days training for a new client in Kenya, or for the training of two clients in Mali.

Whatever you can spare will make a difference to the lives of the very poor.
It's Just Small Change!

You can write to us at the address above, or give online :

We have accounts with both CAF (Charities Aid Foundation) and Stewardship.org. It's possible to donate online through either of these organisations, via the links on our website.



Online banking with HSBC:
Account name: Just Small Change

Account no. 32134314

Sort Code 40-43-19

HSBC Bank, Chapel St,
Stratford upon Avon.

If you wish to gift aid your donation,
please email us at the address above
so we can send you a gift aid form.

Thank you for your support!

OUTPUTS APRIL 2020 TO DECEMBER 2021

Since last reporting in March 2020, 98 women in Sikasso, Mali, have been trained in goat rearing and have each received a loan of £52 to buy two goats.

Meanwhile our project in Kisumu, Kenya has grown from 307 to 360 clients.

In Kisumu during the twenty months to end October 2021

- Salary and overhead costs have been met for our two full time staff
- 53 new clients received 3 full days of training on topics such as business and financial management, stock taking, record keeping, customer relationships, communication and leadership. Accessible delivery methods included role play, group work, puzzles and discussion.
- 10 community support groups received short courses of business training
- 2 new community support groups were formed
- A savings co-operative was set up for clients exiting the project
- Clients supported 1417 dependents between them including 348 orphans
- 989 dependents attended school or college, supported by our clients
- 64 additional jobs were maintained within clients' businesses, supporting approximately 93 additional dependents
- 92 loans were issued: 53 to newly trained clients and 39 to clients receiving subsequent loans once the original loan has been repaid
- The average loan size to date (Oct 21) was £98.81 converted at KSH 143=£1, the average for the twenty month period
- The total amount loaned to date was £67,434
- The value of loans outstanding was £18,443 at end October 2021
- Since the project's start, each pound of the loan funds provided by Just Small Change has been re-loaned 1.38 times (as at end October 2021) and will be available to loan again, once current loans are repaid. This means that each pound donated to the loan fund has, so far, generated £2.38 in lending to aspiring entrepreneurs, and will go on doing so in the future.



METHODOLOGY

Baseline data is collected from each client when they join. Individual reviews take place at the end of each loan. This report is based on data available up to end October 2021.

KEY STATISTICS: for the Kisumu project to the end of the financial year £, converted at KSH 136=£1, the average for the year to March 21

| Year ending | Number of woman clients | Total number of clients | Total loaned since start | Number of loans since start | Current average loan | Value of outstanding loans | Total default since start % | Total rescheduled since start % |
|-------------|-------------------------|-------------------------|--------------------------|-----------------------------|----------------------|----------------------------|-----------------------------|---------------------------------|
| | | | £ | | £ | £ | | |
| Start* | 39 | 40 | 2,355 | 40 | 59 | 59 | 0 | n/a |
| Mar-14 | 39 | 40 | 4,638 | 64 | 48 | 1,919 | 0 | n/a |
| Mar-15 | 41 | 42 | 9,457 | 106 | 115 | 4,819 | 0 | n/a |
| Mar-16 | 41 | 42 | 9,457 | 106 | 71 | 2,974 | 0 | n/a |
| Mar-17 | 90 | 91 | 15,362 | 168 | 59 | 5,362 | 3.54 | 9.38 |
| Mar-18 | 141 | 142 | 21,703 | 262 | 96 | 13,699 | 2.51 | 6.55 |
| Mar-19 | 191 | 193 | 37,731 | 360 | 86 | 16,502 | 1.33 | 4.16 |
| Mar-20 | 304 | 307 | 59,561 | 468 | 82 | 20,078 | 6.00 | 0 |
| Mar-21 | 324 | 327 | 64,691 | 512 | 105 | 17,704 | 8.76 | 65.75 |

*The project's pilot phase ran from the start date in May 2013 to March 2015.

